

Our Money System

and

What It Is Doing To Us

(IT IS SURE DOING A FLENTY)

THE REMEDY

and

HOW TO APPLY IT

(INJECT GENTLY TO PREVENT SHOCK)

BY

H. C. Pierce, Dahlton, P.O. Sask.

"While plodding along down poverty lane,
with your sweat dripping down to the sod,
The lash of adversity falling again,
and you quiver as onward you plod.
For your own consolation please recollect,
you'll find peace on that evergreen shore.
But that's about all you need to expect,
for damped if you'll find it before."
IF YOU DON'T CHANGE OUR MONEY SYSTEM.

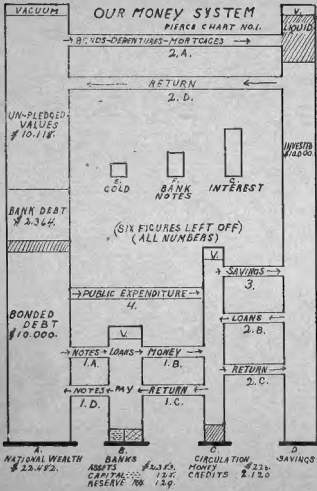
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Book One
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OUR MONEY SYSTEM

PIERCE CHART NO.1.



PREFACE

During the last year I have been asked by a great many people where I have lectured upon "OUR MONEY SYSTEM" to have a pamphlet containing the charts I have been using with an explanation.

It is in response to these urgent requests and in the hope it may cause constructive thought and action that this pamphlet is issued.

I have tried to make it very short and simple and yet cover the entire field of "CONDITIONS, CAUSE AND REMEDY".

IF AFTER GIVING THIS PAMPHLET SERIOUS THOUGHT AND STUDY YOU DO NOT THINK IT WORTH THE PRICE ASKED, KINDLY RETURN IT AT ONCE AND YOUR MONEY WILL BE GLADLY REFUNDED. WE DO NOT WISH ANY ONE TO FEEL THEY HAVE NOT RECEIVED VALUE.

IF ON THE OTHER HAND YOU FIND IT CONSTRUCTIVE AND WORTHY OF CONSIDERATION, AND BELIEVE IT WILL ASSIST IN SECURING ACTION, RECOMMEND IT TO YOUR FRIENDS AND HELP ALONG THE GOOD WORK.

ANY SURPLUS OVER COST WILL BE USED TO CARRY ON THE WORK UNTIL SUCH TIME AS THERE IS SOME REPRESENTATIVE ORGANIZATION READY TO TAKE IT UP HONESTLY AND ENERGETICALLY WHEN I SHALL BE GLAD TO HAND THE RESPONSIBILITY OVER TO THEM, BUT I SHALL HAVE TO BE CONVINCED BEYOND ALL DOUBT, THAT IT IS AN HONEST EFFORT, BECAUSE FOR REASONS WHICH SHOULD BE APPARENT TO YOU I HAVE BECOME CONVINCED THAT THERE ARE POWERFUL INFLUENCES AT WORK TO SUPPRESS AS FAR AS POSSIBLE WITHOUT COMING OUT INTO THE OPEN ALL CONSTRUCTIVE WORK ALONG THESE LINES.

If your district is interested in further discussion of this question I shall be glad to fill lecture dates for my expenses.

If you wish a meeting—write me and I will arrange dates so the expense will be as little as possible for each district.

Practically all figures used in this pamphlet are from "THE CANADIAN YEAR BOOK" 1924, being the averages for the year 1923 which are the last complete figures available.

Address all letters.

H. G. FINECK,

Dalhousie, P. O. Sask.

(Monetary Reform)

and they will be looked after promptly whether I am home or not.

Picree chart No. 4.

**CANADA'S PER-CAPITA INCREASE IN DEBT AND
INTEREST CHARGES.**

PER-CAPITA BANK DEBT.

In 1868. \$ 12.83	An increase of 1835 per cent.
In 1923. \$261.09	

PER-CAPITA NATIONAL DEBT.

In 1868. \$ 22.47	An increase of 1102 per cent.
In 1923. \$276.18	

PER-CAPITA ANNUAL NATIONAL TAX.

In 1868. \$ 3.47	A 2 increase of 1103 per cent.
In 1923. \$36.97	

PER-CAPITA ANNUAL NATIONAL INTEREST.

In 1868. \$ 1.33	A 2 increase of 1034 per cent.
In 1923. \$ 15.09	

**FOR EVERY MAN, WOMAN AND CHILD IN CANADA.
(Some Increase)**

And this does not include personal, Provincial and Municipal debts, interest and administration charges with a like increase.

Organized finance and commerce pass their share of these charges on to the farmer. They must if they are to run their business on a cost plus a profit basis.

Is it any wonder that the unorganized farmer and the country merchant who depends on him are hard pressed? The wonder is that they have been able to stand it so long.

How long is it going to take the farmer to wake up to these things, and how heavy must the load get before he will organize and stick together in order to get a proper return for his labour, TO CEASE BEING A SLACKER.

If he delays too long his property will have been consumed by these charges,

DO NOT BE ONE OF THE SLACKERS.

PRESENT CONDITIONS.

In nearly every country in the world there is growing unrest, Debt, Interest and Taxes are increasing in leaps and bounds.

Poverty and unemployment are increasing on the one hand and great fortunes growing on the other.

The farmers, with greatly increased production, through improved machinery and methods, are going behind and finding it more difficult each year to make both ends meet and carry the rapidly increasing load of debt, interest, and taxes. Let us look at the increase in Canada. (Study Chart No. 4 on opposite page).

With the great mechanical inventions, which have made it possible for the per-capita wealth production to double and treble, how have these appalling conditions come about?

This is the question, which to a greater or lesser extent is agitating every country in the world, the question for which they are seeking an answer. Socialism, Communism and other laws see in capitalism the nigger in the woodpile. Capitalism denies the charge with vigour and says produce more and consume less, as if we could consume less and continue to live, and why produce more if we are to consume less, and so the fight goes on between these laws, with hatred and bitterness while the people suffer and the money hoards prosper.

Thoughtful, earnest students the world over, say that Capitalism has been the stimulant which has developed the world, the right to work, to own one's home or business, to reap the reward for one's labour, and that a capitalistic system controlled so each may reap the full fruits of his labour, would be the ideal condition, they say that the real nigger in the woodpile, the one that has made it possible for the few to reap the benefits of the efforts of the many, to control all resources, all governments, and through them the destinies of the people is "THE MONEY SYSTEM".

OUR PRESENT SYSTEM.

Let us study this system so we may know how it has brought about present conditions, (See Chart No. 1. on the inside of the front cover).

In order to have a clear understanding of the system and how our present position has been reached, I have drawn this Chart based upon the 1921 financial position of Canada.

This chart takes the form of four pressure tanks, with connecting pipes to allow a flow equalizing the pressure.

The Chart is drawn to scale (500 millions to the $\frac{1}{4}$ square inch) and each item is shown in its true proportion to other items.

All figures below millions are left off. (too small to bother with).

TANK A.—Contains our National Wealth, this is divided to show, Bank Debt, Bonded Debt, and Unpledged Values, the Bank Debt being subdivided to show as shaded money in the hands of the people 226 millions.

TANK B.—Contains the Assets of the Banks, this is divided to show as shaded—the paid up capital of the banks and as shaded—the rest and reserve, the balance being assets over and above combined capital and reserve, the assets of borrowers assign to the bank in return for bank credits, (farmers notes).

TANK C.—Contains our circulating medium, this is divided to show as shaded, money in the hands of the people, the balance being bank credits.

TANK D.—Contains our savings, this is divided to show as shaded, the liquid or uninvested savings as shown by safety deposits etc., the balance being invested savings, as represented by Bonds, Debentures, Mortgages etc.

In order to get a proper understanding of this structure let us tear it down, look it over and build it up again, so we will understand every piece and its relation to the rest of the structure.

In order to do this we will wipe out all debt and all savings and begin over again (this would be fine if we could do it really) we will start clear, no debt, no savings and no money or credits.

TANK A.—Will now contain the National Wealth, unpledged.

TANK B.—Will contain the paid up Capital and Reserve of the Banks, their other assets will have disappeared.

TANK C.—Will be empty.

TANK D.—Will be empty.

Without money you could not buy a postage stamp, a sack of flour, your wife's spring hat or a pair of trousers for yourself, and the need for money would soon cause a pressure in tank A, causing a flow of notes through pipe 1A, to the banks, securing loans and the money so secured would flow through pipe 1B, to tank C, and go into circulation by being spent. To the extent of the loans so secured the national wealth individually or collectively would be pledged for these loans, and to the extent that Bank credits were accepted the banks assets would have increased.

This money would circulate, paying for goods and services, performing its proper function as a medium of exchange.

Very soon the banks would bring pressure for repayment of these loans, causing a return flow of money from the circulation tank through pipe 1C, to the banks to pay the notes, principal and interest, and a return of the notes through pipe 1D, to the makers, releasing the national wealth to that extent, this would leave the

circulating bank short and someone else would have to borrow in order to keep enough money in circulation.

We have now established the No. 1 flow of primary or first loans, and return payments, you must always have new loans to the extent of the payments if the level of tank C. is to be maintained, and as each payment takes from circulation more than the loan put in to the extent of the interest, the loan and debt must increase to that extent.

If in starting you agreed to a definite limit of the total debt, the excess for interest which each loan takes from circulation over and above what it put in, would soon drain tank C. and you would have no money left, but the original debt would still remain.

Our circulation tank C. has a leak or overflow through pipe 3, savings, every time someone takes out savings our circulation is short to that extent, and someone else must borrow, creating an extra debt to the extent of the savings. So all savings increase the debt if we are to keep the proper level in our circulating tank.

These savings accumulate as liquid savings, and when the banks have loaned all their capital will allow, the necessity for more money sets up a pressure in tank A. which cannot be relieved by the Banks and flow No. 2 is set up through pipe 2A, bonds, debentures, mortgages etc. creating secondary loans which absorb the liquid savings, they then become invested savings and the money again goes into circulation by these loans through pipe 2B.

In these secondary loans as in the primary loans a return flow of payments is set up through pipes 2C, and 2D. We have now flow No. 2 established and in this flow as in flow No. 1 the return flow for payments, is always greater than the inflow from the loans to the extent of the interest, this excess must be made up by extra loans and debt in order to maintain the level in tank C.

These secondary, secured loans, are of money that was originally loaned by the banks, as all money first comes from the banks, they are therefore, second loanings of money that had already been loaned, and a second debt for money that is already a debt, they also draw a second interest upon money that is already drawing interest.

In this way, all money is first loaned by the banks, is taken out of circulation as savings, by the banks or others is released and again goes into circulation only to be again taken out and re-loaned over and over again, always creating new and additional debt and interest, without in any way creating new money with which to pay these debts.

EXAMPLE

Suppose a ship to be wrecked on an island and the people isolated from the rest of the world.

Only one man has any money and as the people are used to money and think they need it they ask this man to become their banker, he consents upon one condition, they are to pay him 10 per cent interest and settle every ten years, they agree to this and borrow altogether \$1,000. At the end of the first ten years they get all the money together and go for a settlement, they find the interest is equal to the principal \$1,000. As they still need the money they arrange to give new notes covering principal and interest, their interest bearing debt has now doubled but they have only the original amount of money in circulation. These settlements occur at each ten year period for one hundred years, the debt doubling each ten years although they never have more than the original loan.

The following chart shows how the debt increased at the ten year periods, what proportion of the increase was simple interest and what compound interest, also what the debt would have been if renewed and compounded each year and the proportion of simple interest and compound interest.

Fierce chart No. 3.	
HOW OUR DEBT INCREASES.	
Borrowed	\$1,000.
Renewed 10 Years	2,000.
" 20 "	4,000.
" 30 "	8,000.
" 40 "	16,000.
" 50 "	32,000.
" 60 "	64,000.
" 70 "	128,000.
" 80 "	256,000.
" 90 "	512,000.
" 100 "	1,024,000.
Borrowed	\$1,000.
Interest accumulation	\$1,013,300.
Simple interest	10,000.
Compound Interest	\$1,013,300.
Debt if renewed annually	\$14,760,000.
Simple Interest	10,000.
Compound Interest	11,810,000.

By the time the tenth settlement period arrived new generations had taken the place of the old, and as the debt was mounting the total value of the island the banker decided it was time to collect. When the committee went for the tenth settlement they were told they would have to pay or the banker would avail himself of the laws they themselves had enacted for the collection of debt to take property to its extent, he was told they only had the \$1,000. and would pay no more, but he in turn told the committee that he was not to blame for that and he would have to be paid. They asked for a week to think it over and this was granted.

This was a sad week for the islanders, forced to give up their homes under foreclosure and become tenants at the mercy of the banker, and as there was no one to bid against him for the property it was quite likely after everything was sold they would still find themselves heavily in debt.

During the week they devised a way out of the difficulty. When the week was up they went back to the banker and tendered him his due in national notes. But said he this money is no good, you have no gold behind it. How much gold is there behind yours he was asked? \$100, which is 10 per cent on the amount in circulation and is considered ample by the best banking authority. Then with only \$100. of real money in existence in the island you have loaned us over one million and expect us to pay? That is the agreement you yourselves made. Yes but we were forced to it and did not realize where it was leading. That is not my fault and I insist upon my rights. We will give you your rights but you certainly have no right to take away from us the fruits of generations of labour, we have the power and we would be right in canceling your entire claim but we will not do that, we will pay you in these national notes which are a full legal tender and are redeemable in goods and services, we might even in doing this inflate prices so your whole debt would no more than buy you a meal but we will not do that, we will stabilize prices so each of these dollars will buy as much as your dollar did. Well, you have the power and I suppose I will have to accept your settlement, but I can use this money to buy up the land on the island. Oh no you can't, we foresee this and have already enacted a law that no one on the island can own more than ten acres which is ample and we have also made provision that you can not buy and corner our food supply. If you devise any other method to use this money for our disadvantage we will cancel the whole issue and debt as we possibly should do now to be safe. What can I do with the money then? We do not care what you do with it as long as you do not use it to lay a burden upon us. You have ample to buy all you need for generations, you can use it to develop any of the natural resources of the island

under a concession which will protect the interests of the people or to build up any business under like conditions, but we have learned our lesson and shall from now on protect the interests of all alike and allow of no further special privileges.

Will you wish to continue the loan? No we have repaid your money and herewith deliver it to you, in the future we will furnish our own.

What about my banking business? We need some institution to keep track of our transactions, a place where we can deposit our money and check against it, there will be some who will likely need short loans for emergencies, we will leave you to look after these services at a reasonable return if you wish, otherwise we will establish our own institution.

The banker was forced to accept their offer and thereafter there were no more sleepless nights and worry among the islanders as to how they were to meet their debts as they had none, and they became a happy and prosperous people. Later generations reviewing those earlier times could not understand how their forefathers had been so foolish as to allow private loans and control of their medium of exchange and laughed at their ignorance, but I can assure you it was no laughing matter to the people who struggled with the system so many years, when once solved it became very simple as all questions do, but unsolved it was a very real menace to the happiness and welfare of the people.

This is an exact reproduction of our present system and situation simplified by having only one creditor instead of many.

If you figure the rate of our debt increase you will be surprised how closely it approximates that of the island.

We are nearing the climax. Are we going to fiddle along until the finish drives us to drastic action, suffering years (not many years I am afraid) of misery and worry or are we going to take hold of the situation energetically and correct the existing conditions without further delay and before they become worse.

Let us analyze a little further the island conditions as it will give us a better understanding of our position and its cause.

If at the end of the hundred year period, they paid every cent of money they possessed, or ever had possessed, or was or ever had been in existence, they would still owe \$1,023,000. and have no money left.

If some thrifty individuals beside the banker had taken out of circulation and laid aside savings, this amount would have to be borrowed extra to maintain the \$1,000. level and would add to the debt to the amount of the savings. Any payment of the original loan or interest, at any time, would reduce the money in circulation to that extent.

This looks mighty bad for interest does it not. But let us consider a little further. This illustration is based upon the assumption that the banker made a savings of all interest earnings. If the banker instead of saving had spent to the extent of his interest earnings placing this amount directly in circulation, it would have been available to pay interest and still leave the original loan in circulation so the debt would never have increased but the people would have been compelled to give up \$1,000 in products each ten years for this interest or a total of \$10,000 during the hundred year period. This would not have been so bad, but they could have saved even this by providing their own money.

If instead of spending all his interest earnings the banker had spent only part of them but some one else had saved to the extent of his spendings, the debt increase would have been the same.

If the loan had been renewed each year and the interest compounded annually the total debt at the end of the hundred years would have been \$14,700,000 but if the banker had spent his interest earnings of \$100 each year, this would have been in circulation and could be used to pay the interest and still leave the amount of the loan in circulation without a debt increase, and the total load would have been \$10,000 in goods or services the same as in the ten year example.

If at any time during the hundred years the banker or others who had saved and loaned, had started to spend their entire interest earnings the debt would cease to increase.

It is quite evident from this that it was not simple or compound interest that increased their debt but simple and compound savings, if no one had saved there would have been no increase of debt and the increase was only to the extent of the savings. There was not and could not be under private monopoly and control of the issue of money, any provision for savings without an increase in debt to the extent of the savings.

Without savings on the part of some one there would never have been any money interest had to carry but a product interest to the extent of the goods given up to secure the interest money, their circulation would always be intact.

If they had saved and controlled their own money they would never have had any debt or interest charge and if the people saved, a sum to the extent of the savings could have been put into circulation by expenditure for public works or services and the level or amount of circulation maintained.

In this example there was never more than \$1,000 in existence. The amount it had earned interest there was not enough money to pay the debt.

The whole transaction outside of the original loan was a paper one, it was payable in something that was not in existence, never had been in existence and could not be in existence except at the expense of an equal debt.

THIS IS AN EXACT EXAMPLE OF OUR PRESENT SYSTEM RELIEVED OF ALL CONFUSING DETAILS.

All money is borrowed and interest bearing, in each renewal whether by the original borrower or someone else, the interest must be added in order to keep the money in circulation, any time some one lays aside savings someone else must borrow to the extent to replace the money in circulation. The payment of any part of our debt principal or interest, reduces to that extent our money in circulation.

There are a number of loans which affect the results of the system one way or the other, foreign trade business, gold production, money brought in or taken out by settlers or tourists, the money spent by the banks and placed entirely into circulation without debt or interest charged, fixtures etc., but they have been fairly well squared and will not permit me to deal with them.

There has never yet been at any time 300 millions in the hands of the people of Canada, yet it has been lent and renewed over and over again, added and renewed with interest added, and we would do it a over 10,000 millions and our bank debt is over 2,000 millions with only 226 millions in the hands of the people with which to pay this enormous debt.

The interest upon our bonded and bank debt at 5 per cent would be 418 millions a year, there is just about a third of that amount in the hands of the people.

There is just a not enough currency now, and is an open book to pay our bank debt, which would leave us nothing to pay our bonded debt or carry on business.

Roughly speaking, our public debt is increasing at the rate of 2 millions a day or 25 cents for every man, woman and child, an annual per capita increase of 15 dollars, and each year the increase is greater, without a change in our system the currency will eventually absorb all property.

How then can we pay? It is impossible to pay under the present system, as a matter of fact our debt must increase each year, for any amount we pay upon interest or principal leaves us that much short in our circulating medium. This does not include private debt, a ten dollar bill may change hands a hundred times between private individuals or companies, each time paying a debt and still be in circulation, but if you pay the same bill to a bank

bank or trust company it is out of circulation until someone borrows it again, it only pays one debt to these institutions, and can only be secured again by creating a new debt.

There is surely something radically wrong with a structure which will bring these results. Let us tear it down again and see if we can put it together so it will work better.

THE REMEDY.

We will start clear again: no money, no debt and no savings. Leaving the banks as they are with capital and reserve, we will head up the system again just as we did before with one exception, we will open pipe A on the chart running from task A to task C (public expenditure) and will issue a national currency for all national expenditures: a people's money doing the people's business, issued and controlled by them: a full legal tender for all debts public and private.

By doing this we will never have any national debt or tax, and there will be a continual flow of money into circulation which is not borrowed, is not debt, and is not drawing interest.

To the extent of this flow the people can take out for savings without increasing the debt, and this flow may be increased to a point where people can pay their debt and have sufficient money left to carry on business, thus being out of debt and doing business on a cash basis which would reduce very much the cost of all goods.

If desired, this money may be used for rural credits at the cost of administration, also for post office and municipal loans.

If we started such a system now using national currency for all expenditures including payments of maturing obligations there would be no further need for a national tax, by using it for all long loans, rural business, provincial and municipal secured loans at cost a very great portion of our present load would be lifted.

Under our present system, savings, necessitate extra loans and debt.

Under this new system all savings would necessitate extra national expenditures for improvements or services to put the money into circulation.

Our present system compels an ever increasing debt to cover savings.

The new system would compel expenditures for utilities or services, to cover savings.

Under the present system, the whole load is passed on to the unorganized farmer, he has to pay what is asked and take what is offered.

Under the new system the load would be immediately lessened and eventually entirely removed so no one would have to carry it. The solution of this question is the one great issue before us. With

and the solution there is no permanent relief from our economic problem. The solution of this problem as well as other economic problems, construction of the Hudson Bay Railway, branch lines, great waterways, steamship lines etc. without debt or interest, with a gradual release from all debt.

IN SHORT THIS IS THE MONEY SYSTEM WHAT IT IS
HOW TO USE IT TO REFORM, AND HOW TO APPLY IT.

The great sink of nations in Western Canada has taken place during the last 27 years. Settlers brought with them a great amount of wealth, and produced during that time more wealth per acre, than any other soil of the world. They and the soil have been at their best and the present day wealth has decreased a far taken and this production and part of their capital is lost, with strength and soil fertility decreasing with rust, weeds and a rapidly increasing debt and interest load to carry, what hope is there for our future, what have we children to look forward to. This is not a financial picture and a time one never the less, and we must meet and deal with the situation the way if we are to be worthy of our heritage and the respect of our children and future generations. Not to deal with it is to show a lack of vision and intelligence and to admit ourselves a generation of incompetent, meddling non-sens.

How are we going to secure this reform? Not by sucking our thumbs and growling like a bear with a sore head, not by getting together sticking together, joining and helping along every legitimate organization for our benefit through these arguments securing the object on what will show us what a wrong and how to correct it. The man who fails to do his share has lost all right to look and should not complain, but I pray his wife and children, he might at least consider them.

If I was a fair woman and had a man who did not think enough of me and the children to exert his best efforts to secure better conditions I'd ————— Drown him in the rag barrel with the kittens.

Use your votes for candidates pledged to monetary reform.

Pass your products to cut out cost between you and the consumer.

Pool your purchasing power to cut out cost between you and the manufacturer.

Pool your influence to make a success of these movements.

Do not be a shucker.

Do your part.

Organize and learn.

Under, nothing makes sense shall be drained us, surely we are powerless to do anything except work our feet heads off for the other fellow.

GET BUSY, JOIN UP, STICK.

QUESTIONS AND ANSWERS

WOULD YOU PUT THIS NATIONAL CURRENCY UPON A GOLD BASIS?

Yes. It is estimated that there is less than eight billion dollars of gold in the world available for money purposes, not enough to pay our bonded debt. The present world's production is slightly over one hundred million a year and is decreasing rapidly just about enough to pay half the interest on our bonded and bank debt. It would be impossible to put more than a small gold reserve behind the money and the financial interests would call for the gold and wreck the system. A gold base would add nothing to the value or strength of the system and would create a very great monetary crisis. We have not seen as a gold man since 1914, and we have the most prosperous times in our history, and I have heard of a man refusing to take the money when he could get it.

IF YOU HAD NO GOLD BASE, WOULD THIS MONEY NOT BECOME WORTHLESS AS DID THE GERMAN AND RUSSIAN MONEY?

No. Notwithstanding the impression given by a money which is not even which is interested in maintaining the present system.

Both Germany and Russia used two kinds of paper money, one just paper money with nothing behind it and the other with property behind it, a legal tender, the first depreciated until it was worthless. The latter held its par value. In Germany one Reichsmark became worth one trillion reichsmarks. Russian legal tender is (as was a short time ago) above par upon the world's market.

The U. S. during the civil war issued paper money known as 'greenbacks'. Part of the issue was a full legal tender, the rest a partial legal tender, after the war the Banks forced the partial legal tender down to about 40 cents on the dollar, but in spite of all this efforts the full legal tender stayed at a par with gold.

After the Franco-Prussian war France issued a paper money; no kept it at par both at home and abroad, none of these monies were on a gold standard.

When the government of our country issues paper money as a full legal tender for all debts public and private, it becomes the money of the country and must be accepted. It cannot be depreciated without the action.

BUT WOULD THIS MONEY NOT GO BELOW PAR OUTSIDE OF CANADA?

Yes undoubtedly. In order to throw the light of experience upon the question, let us give you the actual experience of Argentina by quoting from "The Rise of Two Nations" by H. P. Fenton:

"Argentina seems to have understood that money is merely a medium of exchange, that it is better to have too much rather than too little. She issued her own national currency, a paper money, full legal tender without a gold base. Up to 1880 they had rather more than they needed and the ratio of exchange with other countries was an uncertain quantity. Their constitution was modeled after the U.S.A. and in 1880 they did likewise with their money, not trusting it and by 1887 it was at par with gold. This worked such a disaster that the government again issued national currency freely and promptly redeemed. By 1894 \$1 gold brought \$2.74 Argentine money or products. The abundance of money enabled and the people to get busy and the under valuation in goods proved such a stimulus to exports that the wheat area rose 2,000,000 acres in 1887 expanded to 7,000,000 acres in 1894, and other production expanded likewise.

In 1890 Argentine farmers sold wheat for \$1.15 their money but were getting 40 to 45 cents and it was a 40 down in Liverpool for 45 cents and Chicago 41 cents gold no less than the cost of production in England or the U.S.A. To avert destruction of British agriculture pressure was brought on the Argentine government to restrict the currency and establish it on a parity with gold. Experts were had proved that Argentina could not adopt the British rate and a severe disaster but she did her best "Consejo Nacional" of 1891 increase the value of gold and a fixed legal ratio fixed at \$1 gold to \$2.37 1/2 paper. Nevertheless as a leading banker of Buenos Aires states in the N.Y. Evening Post "The value of the paper dollar remained unchanged and no premium has been paid on gold since 1899 when the above ratio was established by law. This paper money, being legal tender at face value is absolutely good and stable in all domestic transactions. Englishmen testified before the royal commission in 1895 that they paid exactly the same wages in paper when it was at par with gold as when it stood \$1 gold to \$2.50 paper, there was no depreciated money in Argentina".

These experiences prove conclusively that the international value of a nation's money has no effect upon it at home if it is a legal tender, our dollar went below par internationally after the war, but was not affected at home.

It proves a gold base is not necessary for a stable currency at home, and does not improve it.

It proves that when your money depreciates internationally it gives you an advantage in exports.

It proves that when a country is short of money or a medium of exchange, times are hard and when money is plentiful facilitating exchange times are good. we know this from experience.

It proves that a gold ratio can be fixed and maintained which will give the nation a very great advantage in its exports and will stimulate home production and consumption.

If all nations came to the same system and ratio it would establish the "status quo" in international trade competition, but would tend to stimulate home industry and balance trade. We must realize that if world peace is to be established international trade must be balanced. People are not going to stand being exploited for the benefit of other nations much longer.

IF WE PRODUCE MORE AND SPEND LESS WOULD IT NOT MAKE CONDITIONS BETTER?

No. It takes a given volume of money to do a given volume of business. If you increase the volume of goods without a like increase in the volume of money you must take less for the goods or leave them unsold, as greater production would mean lower prices for farm products, and we know they are too low now.

If everyone cut down expenditures 25 per cent it would mean that much less demand for goods, it would have the effect of and be deflation with a vengeance. If the farmer does not buy the goods made by the city worker, the city worker cannot buy our farm products. **PRODUCE MORE AND CONSUME LESS WOULD SURELY
FIX US RIGHT**

WOULD RURAL CREDITS HELP TO PULL THE FARMER OUT OF THE HOLE

To the extent that it loaned interest charges it would help out in no other way, anything which will put more money into circulation will help for the time, but under our present system this can only be done by creating more debt and more interest which increases the load.

I am of the belief that any Rural Credit scheme which we may get will be merely a trap to transfer our unsecured debts into secured debts and rob us of our exemptions.

IS IT NOT THE ACCUMULATION OF BIG FORTUNES IN THE HANDS OF A FEW WHICH MAKES THINGS SO HARD FOR THE REST OF US,

Business and Commercial fortunes No. They are the accumulation of goods which we can easily produce and if these fortunes

in Canada were divided equally among the people it would be so little to each that it would hardly be noticed. MONEY NOT IN USE. They are the accumulations (savings) of money which we can not produce and which we must borrow and at interest do. If these fortunes were divided they would be enough to pay off our debt.

Take the example of the island, in this example \$1,000 was invented and all interest earnings amounted to savings and it loaned.

If each outside of the banker had kept on a par with the others, no one profiting more than the other it would have made a difference in their debt as the interest accumulation savings from year to year. If the banker had not saved but spent each year the amount of his interest earnings, putting this money due the introduction, then would have been available at the ten year terms to pay interest so they would never have been compelled to increase their debt. They would however have been a waste to give up each ten years \$1,000 worth of their money loan or \$1,000 during the hundred years which would not have been so bad as they could have loaned their own money and saved even this.

You can understand from this that it is the feature of our system which prevents any money savings without an increase of debt which is at the bottom of our trouble and not interest although interest does lay an unnecessary burden upon the people. In the example cited if there had been no savings the total levy against the people for one hundred years would have been only \$10,000 but when the interest charges became savings the levy for the same time and the same amount became \$1,023,000. It is in these interest earnings, not in business where there as gains are large & made therefore it is this which are our greatest enemies. Without savings our system imposes tribute, with savings it eventually takes eye thing, lock, stock and barrel.

It is the right to gain from one's industry which has been the great stimulus for inventive and organization ability. I believe this incentive should remain but the reward should be regulated so it cannot be an unfair one and as the people will receive a part of the benefit from the gains which their system stimulates, otherwise it would be useless and might even be a detriment.

Let us take a concrete example. Henry Ford has accumulated one of the world's greatest fortunes. In accumulating this fortune he has given employment to a great many people but according to the standards of today he has been far too even generous with them in wage scales.

By producing a poor man's car he has conferred a benefit upon millions of people; by his competition he has saved man, time

his presumptions to the purchasers of other men and has laid an extra burden upon us. While he has benefited largely he has passed on a very substantial part of the benefits of his genius on the people as employers and customers and indirectly to others.

Any system which would prevent or not provide for the development of such genius would be unfair, unwise and not in the interest of the people.

This is not an advertisement for Mr Ford but a statement of well known fact, there are hundreds of other cases which could be cited, but this one illustrates my point sufficiently.

As to whether Mr Ford has benefited too largely that is a matter of opinion. He has at least benefited others while benefiting himself.

I have no sympathy with the man who in an endeavor to create more equitable conditions would destroy a perfect & good structure which needs only slight repairs, he would place all men upon an equally irrespective of ability, industry or honesty and make of us a nation of dummies.

On the other hand all thoughtful men and women must see that if these repairs are not made and made soon, the inevitable result will be revolution, death and destruction. The people will not allow this system to take either possession of their substance and make of them a race of slaves.

If this revolution should come, I pity those with large fortunes. The wrath of the people will destroy them root and branch. They would be well advised to get behind a campaign of education to mould the minds of the people for and assist them to secure a national currency which would bring prosperity to the nation and avert the disaster which is sure to come if this is not done soon.

It is the duty of every decent citizen to do his or her part to bring about this change speeding so the disaster may be averted and the people left to live in peace and prosperity.

IF ALL FARMERS POOLED THEIR PRODUCTS AND BOUGHT CO-OPERATIVELY WOULD IT NOT CORRECT PERMANENT CONDITIONS?

By no means. It would bring you a greater return for your products and take less for your purchases making it possible to carry the load a little easier and a little safer than otherwise, but it would not remove the debt and interest but a long'seas.

COULD THE BANKS DEFLATE TO A POINT WHERE OUR WEALTH WOULD NOT EXCEED OUR DEBT

Yes. This can easily be done, deflation could be carried to a point where values would fall below encumbrances and cause fore-closure. On the other hand, inflation could be carried to the point

of doubling our National wealth as measured in dollars thus reducing our debt from 50 per cent to 25 per cent of our national wealth making it possible to liquidate present debts with a plentiful or cheap dollar stimulating production and consumption, but to do this our total debt would have to be increased to the extent of the extra money put into circulation and in the end we would be worse off than on the beginning.

IF FARMERS STARTED A CO-OPERATIVE BANK WOULD IT HELP?

Only to the extent that it cheapened interest rates and at the expense of a very great financial risk, if such a bank made better times by getting more money into circulation it would be that more money debt and interest to pay.

WHAT WOULD YOU DO WITH THE BANKS? STOP THEIR RIGHT TO ISSUE NOTES? TAKE THEM OVER AS A NATIONAL INSTITUTION OR WHAT?

I would not disturb the Banks in any way at present, if they caused a fluctuation between their notes and values, notes it would be necessary to convert them right of course as for now place them on a parity. As a means of keeping a record of and facilitating our transactions and providing for payments and remittances they are excellent, as a monopoly for the issuing of a medium of exchange, interest bearing for private gain they are the greatest menace to civilization the world has ever had to contend with. They are an absolute necessity for the carrying on of commerce, for providing these facilities they are a legitimate private enterprise.

While their loans would undoubtedly decrease and they would become largely, accounting houses, for which services they would have to charge on a service basis, still there will always be a call for short time loans. Men who have not with some bad luck crop failures etc. young men, business concerns just starting up will need short time loans and the banks should be left to give this or vice. If the present system is allowed to go to the limit the banks will go down with the rest as their loans are not secured to any great extent. It will be the secured loans that will poison the loan. This system would remove the control exercised by banks and big finance, they could not bring on deflation or control our currency, we would be entirely independent of them, they would no longer be a menace but a legitimate enterprise rendering a needed service to the nation for which they would be paid as are other institutions. There would always be ample funds in circulation to liquidate their loans and their position would be much more secure than at present.

ARE THE BANKS SOLVENT ?

In the sense that their assets are greater than their liabilities Yes. In the sense that they can pay all deposits at once, No. They have an excess of assets over liabilities of \$213,351,828, but their liabilities are 95 per cent of their assets so a 10 per cent loss in collection of debts or value of holdings would wipe them out.

YOU SAY WE HAVE ONLY 400 MILLIONS OF CURRENCY AND YET SHOW A BANK DEPOSIT OF \$110,007,000.

HOW CAN THIS BE ?

Suppose a new bank started in your town when they open their doors they have no deposits, the first day they loan to farmers and businessmen \$25,000. A week later the borrowers take a bank book and cheque book and are credited with the amount borrowed as a deposit, supposing they do not take on or pay out a dollar the first day yet at night their books will show deposits of \$25,000. Their assets would have increased \$25,000 and this increase would be drawing interest this is the way these deposits are built up they are money bank notes issued upon the assets of the borrowers. This is where the banks get their large assets over capital and reserves. These are the assets of borrowers assigned to them for their fictitious deposits which are called bank credits.

WHEN DID THIS SYSTEM START ?

History will not permit dealing with this matter on an affecting ancient civilization how under a national system Egypt and Rome were a prosperous happy people, how, when the right of issue and control passed into private hands they fell.

As late as the seventeenth century the charging of money at interest in England was punishable by death. Since then this nefarious system has been fastened upon the people like an enormous octopus sucking their life blood.

In England the Bank Charter granting monopoly came into effect in 1844 in Canada in 1867, in the United States 1873.

If relief is to come it must come from the people, as the state is tied hand and foot by the money interests, if these interests were to refuse to loan to the Government it could not function. We must therefore not anger these institutions with the people are educated to and are prepared for and must upon issuing through the state their own money without debt and without interest.

IF THE PRESENT SYSTEM IS WRONG WHY HAS IT NOT BEEN DISCOVERED BEFORE AND NOW HAS IT LASTED SO LONG ?

The injustice and eventual result of the system has been pointed out by some students for fifteen hundred years at least Christ and the apostles condemned it as an heathen ruse so it is no new discovery.

The production of gold has to a certain extent kept pace with the expansion until very recent times. All gold used for such a purpose goes into circulation without debt or interest, it is upon the same basis as the national currency advocated, except that it is a commodity money and provides its own payment. There is no redemption, when received it is paid it with itself or as a part of the value for which it is received. A national paper money is not paid until it is exchanged for goods or services which it entitles its payment, in effect a national paper but without a gold standard is an order to every citizen in the nation to redeem it by the delivery of goods or services as the holder may choose and he MUST ACCEPT IT. The receiver then becomes the holder and can exercise this order for the goods or services he desires and so it passes from hand to hand as a medium of exchange doing the nation's business. It is an order for goods and services which we need, but not for gold which we do not need.

The expansion and development of new property as well as the increase of values can keep the increase of security on a par with the increase of debt, but we have come to the point where the increase of values has nearly stopped and may easily go back. The property to secure, thus increasing security is small in proportion to the debt, the gold production has nearly stopped, and the per capita debt and increase is so great the results are being felt all over the world.

Probably the greatest single factor in prolonging the life of the system has been inventions which have increased the per-capita production enormously, decreasing the cost accordingly. The system has absorbed the entire benefit of these inventions and compelled besides an ever increasing cost to the consumer.

DOES THE SYSTEM NOT AFFECT ALL BUSINESS AS WELL AS FARMERS?

No. They have the power to and do fix the price on a basis of all costs plus a profit. They add all costs including loans, interest, taxes, organization expenses etc. as well as a good profit to the cost of the goods or services they deal in and pass it on from one to the other until eventually it reaches the farmer who pays the whole shebang for the farmer's produce they deduct from the price paid by the consumer all of these same items for each channel through which they pass and give the farmer what is left over as cost. They are organized to cut out competition and so long as the farmers' purchasing power held out they were affected not at all. I am not blaming them, they had to do it if they were to keep in business. They were just doing good business and looking after their interest while the farmer in a much stronger position was laying down on the job.

The costs of all borrowings, interest, taxes, water works, electric light plants, fuel or buildings, services and even the organized farm expenses of the other fellow for the whole nation have been passed on to the farmer. If ever again the farmer here was marked to show the farm entering into the cost he would be astonished at what a small portion was for labour which is the only legitimate charge and the other items would surely be a revelation to him.

This has been going on until although the farmer is the greatest per capita wealth producer in the world, the increased load of the system has taken all his production and a rating rapidly into his capital. If the system is allowed to remain he will be the last to go. He will lose his land and become a renter. Next will be the loan merchant and like a tidal wave it will sweep back and everything will be possessed by a few men. It is quite conceivable a fact almost certain that if the present system is allowed to run its full course one man will own the entire world.

The farmers' product food is the one essential all must have. If he was organized and ran his business on a cost plus a profit basis he would be the last to be affected by the system instead of the first as now, but without a change it would eventually get him.

Just at present he is the farmer who is vitally affected. It is he who must get behind it a movement if it is to succeed because it has not pinched the other fellow to any great extent and it is not his turn to suffer. He will suffer all right when his turn comes but that will be too late to do the most of us any good as we will have gone into the discard and been swallowed up.

The situation is squarely up to us as farmers. Are we men enough to measure up to the emergency or are we as dull and boring as under the hypnotic influence of a terrific press and more terrific political parties that we will sit with folded hands and allow this system to consume us and ours? Only time will answer this question. We are strong enough in numbers and have the power if we will get together and stick, to bring about this change, save ourselves and make the future safe for posterity. If each man does his part there can be no failure, we will get lots of help outside of our ranks for those who are eye to eye with us and whose ranks are growing rapidly. But the real fight is up to us, who for the time, are the most vitally affected.

Are you going to do your part like a man or lie down like a dog? This is strong language, but this is no time for mincing words and pussy footing. We have too many pussy footers, walk easy talk it over calmly get together. That's what the dog said to the rabbit "let's get together". You know what happened to

the rabbit. The same would happen to us if we got together with the other fellow.

Every step forward in the history of mankind has been helped by the puny factor get together, and it has been by the efforts of men who did not mind words but bowed to the axe, let the ships fail where they might, stood shoulder to shoulder and fought an aggressive no quarter battle, that all reforms have come.

There is the yard stick, measure up to it as you will. If you do your little bit to the best of your ability there can be no reproach, if not ! ! ! ! . It's up to you.

WOULD NOT A GENERAL LOWERING OF WAGE AND PRICE LEVELS HELP?

No. In every inflation to higher wage and price levels organized business absorbs the benefit by increased prices and the unorganized farmer is the last to feel the benefit.

In every deflation to lower wage and price levels organized business resists the deflation and the unorganized farmer has to absorb the loss.

In every inflation the farmer is the last to benefit and in every deflation he is the first to suffer because he is unorganized and unable to protect himself.

No matter what your wage or price levels, your debt and interest load is fixed as measured in dollars. Suppose a farmer owes \$1,000 (he is damned lucky if he owes no more) it will take 1000 bus. of wheat at \$1 dollar, but only 500 bus. at \$2. to pay the debt so all decrease in price levels has the effect of increasing the farmers debt as measured in bushels and all increase in price levels has the opposite effect.

Suppose the cost of an article selling for \$1.00 is 80c wages or purchasing power and 50c fixed charges of the system, you decrease wages to 25c and the article sells for 75c but the fixed charges remain the same while purchasing power is cut in two. You increase wages to \$1.00 and the article sells for \$1.50, the fixed charges remain the same but purchasing power is doubled. In every decrease of wages the percentage of overhead increases and in every increase of wages the percentage of overhead decreases. In each case the power to purchase or pay debts is decreased or increased in a like ratio because the days a man can work or the bushels a farmer can raise are a generally fixed quantity and can not be controlled to overcome these effects. There can be shown no period in any country where general high wages did not bring good times and where general low wages did not bring the opposite.

I believe I have shown conclusively that our debt increases in an exact ratio with our savings and would decrease to the extent

these savings were spent and again put into circulation. If every one in Canada was to spend all their savings as represented in Bonds, Debentures, Mortgages etc putting them back into circulation we could liquidate all our debts except our bank debt.

If further increase of debt is to be stopped you must either stop further savings or put national currency into circulation to the extent of the savings. If the debt is to be paid you must either stop further savings and force the spending of present savings, circulate them or put personal currency into circulation in excess of savings.

Let us suppose our national savings to be equal to our national interest they will be this at least and will increase under prosperous times. Call this amount 600 millions, (it is more). To keep our debt where it is we will have to place directly into circulation this 60 millions each year and at our total present expenditure is only about 325 millions, our expenditures would have to double. As the percentage of overhead would be small the major part of this expenditure would have to go into public works or services.

In order to pay our present debt the expenditure would have to exceed savings, at an excess of 100 millions a year it would take 125 years to wipe out our present debt, the time could be shortened by increasing the expenditure.

In order to get this amount of money into circulation and have it distributed so as to give equal benefits to all it might be necessary to take over all railroads and establish free freight rates. This would distribute the benefit to every individual in the nation in the lower cost of the goods consumed. This would in effect bring the Orchards of East and West to the door of the prairie farmer, it would bring the Eastern and Western coal fields to the user of the Ontario factory and home, it would really bring to the user of every consumer the factories and farms of the nation where goods are consumed and do away with all discrimination.

I hardly think our most bitter opponents will deny that the placing of such a large amount of national notes or credits directly into circulation will bring on a measure of production, consumption and prosperity never before experienced or dreamed of.

By the control of profits through an excess profit tax, (give every one plenty but don't let them rob), the great increase in volume will materially decrease the cost of all goods and increase correspondingly the purchasing power of the dollar without a decrease of wages. By the control of prices in this way organized business will not be able to absorb more than their share of the benefits of the increased circulation and the excess will naturally flow to the farmer, bringing the price of his product to the level

of other prices based upon the cost of production, a place it has not held in general ones.

Our problem of government today is to get enough taxes out of the people to function. So far, they have been even able to do so and have had to go deep into debt.

Under the new system there will be no more taxes and our problem will be to get enough money and credits into circulation to enable us to liquidate our debts and to do it in such a way that benefits will be properly distributed.

I have figured on a good many ways of doing this but up to the present have hit upon no method which seems so good to me as through freight rates.

In establishing this system you would destroy all life insurance companies as they depend upon interest earnings to carry out their contracts and the policy holders would have to be protected.

You would also destroy all bank companies and to the extent that their funds were widows and orphans, or the small savings for old age, there would have to be compensation. Others would not be entitled to consideration.

The putting into effect of this system would liberate large blocks of credit whose use as loanable funds would have been destroyed and which for reasons I will not take space to explain could not to any great extent be exported. These funds would be available for and naturally would be used for the expansion of trade and the development of our natural resources, oil fields, coal fields, so-called water powers etc. If these concessions were granted in such a way as to protect the rights and interests of the people it would be of great national benefit.

IF WE RETIRED OUR POOLS TO COVER ALL OUR DEBTS WILL IT NOT EVENTUALLY CORRECT CONDITIONS ?

No, no means. They will not lessen the load on any person one dollar. They will, however, give us better returns for our labor by putting onto the others for us a portion of the burden we are now bearing thus prolonging the agony for a time. In one respect the pools should be of great benefit. If we had have the brains to turn the brains they touch, they will save us the pain of one action over individual action and should lead us to united effort through organization.

WOULD IT NOT BE POSSIBLE TO EXPORT ENOUGH TO PAY OUR DEBT ?

No. For reasons which I have not the space to explain this is not possible. A slight relief could be secured this way but only slight, only a fraction of our annual increase.

It is a very simple mathematical problem which anyone should be able to figure for themselves without assistance from any one. Put it up to your banker, your teacher or business man and if he shows what appears a way out, subject it to me and I will show you where he is wrong.

With slight exceptions all money comes from the bank as a loan or spent by them. The moment they make a profit through interest charges over expenditure, or others make savings, or the money is destroyed in some way the debt must be increased to cover these items. This has been going on until our bank and public debt is approximately \$12,000,000,000 and we have in the hands of the people only \$220,000,000.

There are just two ways out.

FIRST To cancel all debts and start over. If we do this and continue the system we will come back to the same place again.

SECOND Issue national currency sufficient to pay off present debts and provision for future savings as they occur. If we do this we will be free of debt and remain so.

Think it over seriously, as it is a very serious position. Decide what you will do and try it at once and see that others do the same.

HOW DO WE PAY OUR DEBTS?

We never pay them in sum total. One man pays, but someone else borrows. If not, our currency is short and we have deflation. We can pay no part, principal or interest without to that extent shortening our circulation.

IF YOU PUT MORE MONEY INTO CIRCULATION WOULD IT NOT INCREASE PRICES?

It should have the opposite effect because it would increase the volume of all business which could be done at a smaller profit per article without lessening the total profit.

Organized business however has got the habit of charging all the traffic will bear, all the people will pay, without any regard to a fair profit.

It should be as great a crime to rob people through too high prices as the use of a gun and knife. There should be a very strict ex-cess profit tax with severe penalties to prevent profiteering. This could be simple and easily done and should be a part of the national system, so no one could get more than their share of the benefits and everyone would get their proper share.

ARE THE BANKS TO BLAME? IS THERE ANY WAY IN THEY COULD MAKE CONDITIONS BETTER?

No. The banks are as powerless as we to better conditions. It is the system and there is nothing we or anyone who can do anything

without a change in the system, which will give us more than temporary relief at the expense of added debt and interest.

WHAT WILL HAPPEN IF THE PRESENT SYSTEM IS ALLOWED TO RUN ITS COURSE?

Leaving out the possibility of revolution by the people when the pressure becomes too great, the result will be that all property will pass into the hands of a few people and the rest will become tenants and renters. The tax burden will then fall upon the few property holders, they will then change to a national money system to relieve themselves of this tax burden, and to create prosperous times with good prices for the product of the property which they will then hold.

They will probably give to the tenants just enough to keep them producing. As a matter of fact, that is just what they are doing now. We are allowed to head title and pay taxes but the fruits of our labour are taken from us except a bare existence.

Men are like boats, there is the row boat that has to be pulled every inch of the way, and the sail boat which swings with every shifting breeze and the steam boat which goes steaming along straight ahead to its destination.

Don't be a Row boat

Don't be a Sail boat

Be a steam boat and through organization steam straight ahead until we reach the port of MONETARY REFORM leaving the world a better place to live in than we found it.

P.S.—For those who wish to go deeper into the study of this question I am completing a book which will deal fully with the various ramifications of the system. This pamphlet is merely a foundation for further study.

NOTE

The credit for the interest taken in this question in Western Canada is largely due to George Bevington of Winterton, Alberta and James East of Edmonton, Alberta who have been doing their bit for a good many years. Their efforts are just beginning to bear fruit. W. C. Fayater of Tumbler Bay, Sask., has also contributed materially to the cause.

The investigation which "The Progressives" secured in 1923 placed upon Parliament a large amount of information which has created widespread interest. The resolutions presented to Parliament by J. E. Woodsworth, M.P., for Winnipeg are focusing public attention upon the question.

The "Farmers Union" and "Producers" were militant for a

while not seem to have fallen into an attitude of quiescence, watchful waiting. **WHY?**

In the meantime lacking centralized militant leadership it falls on the rank and file to take up the cudgels and carry on the fight aggressively and constructively.

It is our homes and welfare that are at stake. Let us jump in with both feet and show them we have intelligence enough to know when we are getting the worst of it and courage enough to stand up and fight for our homes and loved ones.



Pierce chart No. 3.

FINANCIAL STANDING OF CHARTERED BANKS 1912.

Total assets	\$2,832,779,422.
Paid up capital	\$122,456,422.
Rest and reserve	129,827,279.

Combined capital and reserve	252,283,701.
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Assets over capital and reserve	\$1,580,495,721.
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Liabilities to the public	\$2,244,222,027.
Total quick assets	\$234,270,029.
Total other liquid assets	204,222,512.

Total liquid assets	1,358,438,339.
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Liabilities over liquid assets	\$1,231,843,392.
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Deposits	\$2,122,267,222.
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CURRENCY.

Dominion notes	\$322,762,411.
Silver	26,220,740.
Bronze	1,244,042.

Total Dominion Currency	\$351,227,193.
Banks paid up capital	122,456,422.
Dollar for dollar issue	122,456,422.

Total currency	\$512,244,153.
In hands of public	236,222,027.

Total in the hands of the banks	276,022,126.
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Deposits over and above currency held	\$1,225,225,224.
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.....In the last illustration I am giving the banks very much the best of it, as I have allowed them their entire paid up capital while they really have invested in bank buildings, other real estate and fixtures \$22,222,126. Also a large portion of the Dominion note issue is in \$500, \$1000, and \$5000 denominations which would hardly be suitable to pay out to farmers.

IF THE PEOPLE OF CANADA ASKED FOR THEIR DEPOSITS THE BANKS WOULD BE BROKE. THEY COULD NOT PAY 12 PER CENT.

Pierce chart No. 2.

CANADA'S FINANCIAL STANDING (1932)

National wealth (1931)	\$25,482,841,122.
Debt (Bonded and Bank)	12,264,322,457.
Unpledged values (net wealth)	\$13,218,518,665.

Bonded debt	\$10,500,000,000.
Bank debt	2,264,322,457.
Total bonded and bank debt	\$12,264,322,457.
Interest at five per cent would be	\$12,241,122.

Per-capita wealth	\$2,585.
Per-capita debt (bonded and bank)	1,263.
Per-capita net wealth	\$1,142.

National wealth production	\$3,950,574,884.
Per-capita wealth production	339.

Bank credits	\$2,120,997,000.
Money in the hands of the people	226,926,067.
Total circulation medium	\$2,347,923,067.
Per-capita in the hands of the people ..	85.

Expenditure on consolidated revenue	\$247,540,441.
Interest Expenditure	135,247,848.
Interest 34.9 per cent of entire expenditures.	

Calling our annual interest 500 million it would be
 2.6 per cent of entire national wealth.
 20.2 per cent of wealth production.
 25.5 per cent of combined currency and credits.
 224. per cent on money in hands of people.